

MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
OCTOBER 25, 1994
ELGIN, ILLINOIS

A Regular Meeting of the Illinois Gaming Board was held on Tuesday, October 25, 1994. The meeting was held on the premises of Elgin Riverboat Resort, 250 South Grove, Elgin, Illinois. The meeting was held pursuant to previous Board action and notice was duly given to each Board Member and the general public in conformity with the Illinois Open Meetings Act, 5 ILCS 120.

The following Board Members were present: J. Thomas Johnson, Chairman; and Members William B. Browder, Gayl S. Pyatt and J. William Roberts. The arrival of Member Robert F. Vickrey was delayed.

Additionally, Interim Administrator Joseph F. McQuaid, the media and the general public were in attendance.

Chairman Johnson called the meeting to order at 9:24 A.M.

Member Browder moved that pursuant to the Open Meetings Act, 5 ILCS 120/2 (g), (h) and (k) that the Board retire to Closed Session to consider the following subject matter:

1. Staff reports regarding Supplier Licenses
2. Staff reports regarding Occupational Licenses
3. Matters concerning Owners Licenses that were confidential pursuant to the Open Meetings Act
4. Recommendations of the Administrative Law Judge
5. Investigatory matters
6. Personnel matters, and
7. Procedures of the Board.

Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote and the Board retired to Closed Session at 9:25 A.M.

The Illinois Gaming Board reconvened in Open Session at 12:37 P.M. Members Johnson, Browder, Pyatt, Roberts and Vickrey were in attendance.

Chairman Johnson briefly reviewed the Closed Session held earlier in the day. There were no questions or discussion by other Board Members.

The first order of business concerned the Administrator's Report. The Chairman recognized the Interim Administrator.

Mr. McQuaid presented monthly reports concerning cruise disruptions and underage gambling. He noted that Casino Queen, Inc. had been scheduled to discuss cruise disruptions later in the agenda. Mr. McQuaid stated that 14.6% of scheduled cruises had been subject to cancellations or disruptions. There were no questions concerning either report.

Mr. McQuaid next requested the Board to authorize staff to issue a Request for Proposal soliciting a qualified vendor to operate a compulsive gambler's hot

line. Mr. McQuaid noted that the General Assembly had appropriated \$400 thousand for such a purpose. Under discussion, Mr. Roberts stated that the appropriations were but a "drop in the bucket" to deal with the emerging problem of compulsive gambling, but that the appropriation was a starting point to address the issue.

Mr. Roberts moved that the Board authorize the Administrator to issue a Request for Proposal, soliciting responses thereto and submit a recommendation to the Board. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned Elgin Riverboat Resorts.

Mr. David Belding appeared on behalf of the applicant. He stated that 1250 full time employees were working, 35% of whom were residents of the City of Elgin. Mr. Belding introduced the key employees of Elgin Riverboat Resorts.

The Honorable George Van De Voorde, Mayor of the City of Elgin, appeared. Mayor Van De Voorde welcomed the Board to the city. He told the Board that the City planned to use riverboat tax proceeds to fund a 20 year development plan.

The Chairman asked Mr. Belding about the applicant's decision not to charge an entry fee. Mr. Belding responded that the decision was part of an overall marketing plan.

The Chairman next recognized the Administrator.

Mr. McQuaid reported that pursuant to authorization of the Board, he had conducted a Final Practice Gaming Excursion on October 6, 1994. The excursion had been successful and pursuant to further authorization, he had issued a Temporary Operating Permit. Mr. McQuaid noted that Grand Victoria Casino had not experienced any violations of the Riverboat Gambling Act, the Rules of the Illinois Gaming Board or the Internal Controls of the applicant. Mr. McQuaid recommended the Board approve the applicant as a holder of an owner's license.

Mr. Roberts moved that the application received from Elgin Riverboat Resort for an Owner's License be approved. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next item of business concerned issues of owner/licensees. The Chairman recognized Alton Gaming Company.

Mr. J. Thomas Long appeared on behalf of the licensee. He requested postponement of consideration of a request involving refinancing. The matter was deferred to the next regular meeting of the Board.

The Chairman next recognized Hollywood Casino-Aurora, Inc.

Mr. Ed Pratt appeared on behalf of the licensee along with navel architects and marine consultants. Mr. Andrew Lebet, of DeJong & Lebet, a shipbuilding concern appeared on behalf of the licensee to explain mechanical disruptions and problems experienced by the City of Lights I & II and proposals to rectify those problems. He noted that 86% of all mechanical problems were

the result of three reoccurring problems. Mr. Tom Drennen of Continental Marine Consultants, Inc. appeared as a marine operations consultant. Mr. Bernard Bosch of Robert H. Anderson & Associates, Inc., a consulting engineer also appeared to discuss dredging of the Fox River at Aurora. The Board requested additional documentation be submitted from Mr. Drennen to determine whether additional dredging would be required for the proposed expansion of City of Lights I to be able to cruise unimpeded.

Mr. Johnson asked questions concerning the use of thin deck plating which was causing a ripple effect on the floors of the existing vessels. Mr. Lebet responded that thinner plating had been used as a weight consideration, but that all problems had been rectified and the floor ripples had been corrected. Mr. Vickrey asked questions concerning cooling systems. Mr. Lebet responded that improved cooling systems featuring a closed system would be implemented relying less on the present open river water cooled systems.

The Chairman next recognized Casino Queen, Inc.

Mr. John Janicik appeared on behalf of the licensee to discuss cruise disruptions for the month of September, 1994. He noted that Casino Queen was forced to cancel 46 cruises due to inclement weather conditions. Additionally, another 40 cruises were cancelled due to mechanical problems. He noted that Casino Queen had improved cruising performance to just over 70%. Mr. Janicik stated that the licensee had purchased an extra engine block to be able to more expeditiously replace a failed engine. He further detailed additional cruise disruptions and cancellations. Mr. Janicik also gave preliminary information on cruise disruptions and cancellations for the month of October. He noted that it appeared that Casino Queen would make a cruise rate of 66% and that as of October 25, 46 cruises had been cancelled due to weather.

Ms. Pyatt requested information from all licensees concerning cancellations due to high winds. The Board was specifically interested to see what standard the licensees were using in determining high wind cancellation. It was noted that vessel design would have a determinative effect on the decision.

Mr. Vickrey requested Casino Queen to submit a report detailing the history of mechanical failures and what efforts had been undertaken to assure that parts that more frequently failed were maintained on sight.

Mr. Janicik next requested approval for Casino Queen, Inc. to acquire a line of credit from Harris Bank in the amount of \$1.2 million. It was noted that the line of credit replaced a similar line of credit previously obtained from Boatman's Bank of St. Louis.

Ms. Pyatt moved that the Board approve the request of Casino Queen, Inc. to obtain financing in the amount of \$1.2 million from Harris Trust and Savings Bank. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next item of business concerned Supplier's Licenses.

Mr. McQuaid told the Board that Bally Gaming, Inc. was seeking license renewal as a supplier of electronic gaming equipment. Staff recommended approval.

Mr. Roberts moved that the request received from Bally Gaming Inc. to renew a Supplier License for electronic gaming equipment be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned Occupational Licensing.

The Chairman stated that reports and recommendations had been received from staff and reviewed by the Board.

Mr. Vickrey moved that the Board accept the staff reports and recommendations and approve the applications received for Occupational License, Level 1 for the following individuals:

Mark Heffernan
Joseph Schultze
Dennis Whitehead
Thomas Schumpp
Patrick Moody
Keenan Wright
John Marshall.

Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the Board accept the staff reports and recommendations and approve the applications received for Occupational License, Levels 2 & 3. It was noted the motion included 194 Level 2 and 488 Level 3 applications. Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the Board accept the staff reports and recommendations and deny the applications received for Occupational License, Levels 2 & 3. It was noted the motion included 6 Level 2 and 5 Level 3 applications. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next item of business concerned recommendations of the Administrative Law Judge.

The Chairman noted for the record that the Board had received a request from an applicant to seek leave of the Board to re-apply for an Occupational License within one year of denial. The Chairman asked if any member objected to the immediate consideration of the request. There was no objection.

Mr. Browder moved that the Board grant leave to Elve K. King to re-apply for an Occupational License within one year of October 25, 1994. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned pending investigations.

The Chairman stated that staff had updated pending investigations during Closed Session.

The next item of business concerned scheduling of future 1994 regular meetings.

Mr. Vickrey moved that the Board revise its Regular Meeting schedule combining the November and December meeting dates to one meeting to be held in Chicago on December 1, 1994. Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The Chairman next noted that the Board would hear a presentation from Par-a-dice Gaming Company concerning license renewal at that time.

There being no further business to come before the Board, Mr. Roberts moved the Board stand adjourned. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approve unanimously by voice vote and the Board stood adjourned at 1:44 P.M.

Respectfully submitted,

James A. Nelson
Secretary of the Board

